DOCUMENT RESUME

ED 354 129 RC 018 968

AUTHOR Snipp, C. Matthew
TITLE American Indians Today.
PUB DATE May 92
NOTE 12p.; In: National Rural Studies Committee: A Proceedings of the Annual Meeting (5th, Las Vegas, New Mexico, May 14-16, 1992); see RC 018 967.
PUB TYPE Speeches/Conference Papers (150) -- Information Analyses (070)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *American Indian History; *American Indian Reservations; *American Indians; Business; *Economic Development; Educational Attainment; Elementary Secondary Education; Higher Education; Natural Resources; Population Distribution; *Population Trends; *Tribal Sovereignty; Tribes

ABSTRACT

This paper reviews American Indian demography and the political and economic conditions on Indian reservations. After collapsing during the 19th century, the American Indian population grew gradually during the early 20th century, approaching 2 million in 1990. American Indians are heavily concentrated in the West, northern Midwest, and Oklahoma; about half live on or near reservations. The Indian population comprises over 300 tribes and is extremely diverse, but social and economic disadvantages are a common denominator. High school dropout rates are alarmingly high, as are poverty and unemployment rates. The current economic circumstances of American Indians in many ways reflect a long history of federal efforts to exterminate, subordinate, or assimilate them. These efforts are reflected in five eras of federal-Indian relations: removal, allotment, the Indian New Deal, termination and relocation, and self-determination. Today, many tribes have assumed substantial control over education, human services, and natural resources on their reservations. Economic development and eventual financial independence are being pursued as an alternative to uncertain federal aid. Many reservations have substantial resources in agricultural land, timber, water, and minerals. The 24 tribal colleges are playing a key role in human resource development. Economic development strategies include tribal businesses, attracting outside industries, entrepreneurship, legal gambling, and taking advantage of treaty rights. (SV)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED354129

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
B. Baldwin
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)"

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☒ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

RC018963

American Indians today

C. Matthew Snipp*

A century ago, American Indians were deemed a "vanishing race" and it was widely believed that American Indians would soon follow the passenger pigeon and the buffalo into extinction. This belief was not unjustified. By the end of the 19th century, American Indians were a shattered, dispirited people. Disease, warfare, famine, and outright genocide had reduced their numbers within a few generations from millions to less than a quarter million in 1890[1]. Once a self-governing, self-sufficient people, American Indians across the nation had been forced to give up their homes, their land, and subordinate themselves to federal authorities. Under BIA[2] supervision, the forced resettlement to reservation lands or the Indian territory meant a demoralizing life of destitution, hunger, and often complete dependency on the federal government for material needs.

Reform-minded citizens of the time urged measures that would assimilate Indians into mainstream society. In response, the federal government embarked on a campaign designed to "humanely" hasten the extinction of

*University of Wisconsin-Madison

[1]The American Indian population probably numbered around 5-7 million in 1500 (Thornton 1987, Snipp 1989). This number is possibly too conservative compared with higher estimates reaching 18 million (Dobyns 1983)

[2]Bureau of Indian Affairs (BIA).

BEST COPY AVAILABLE

Figure 1

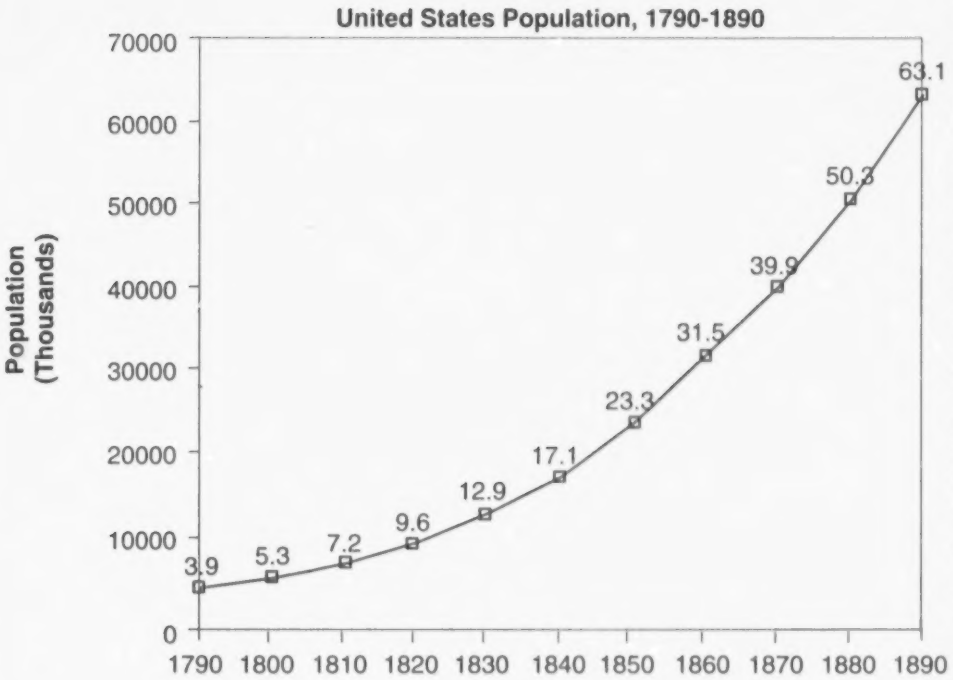
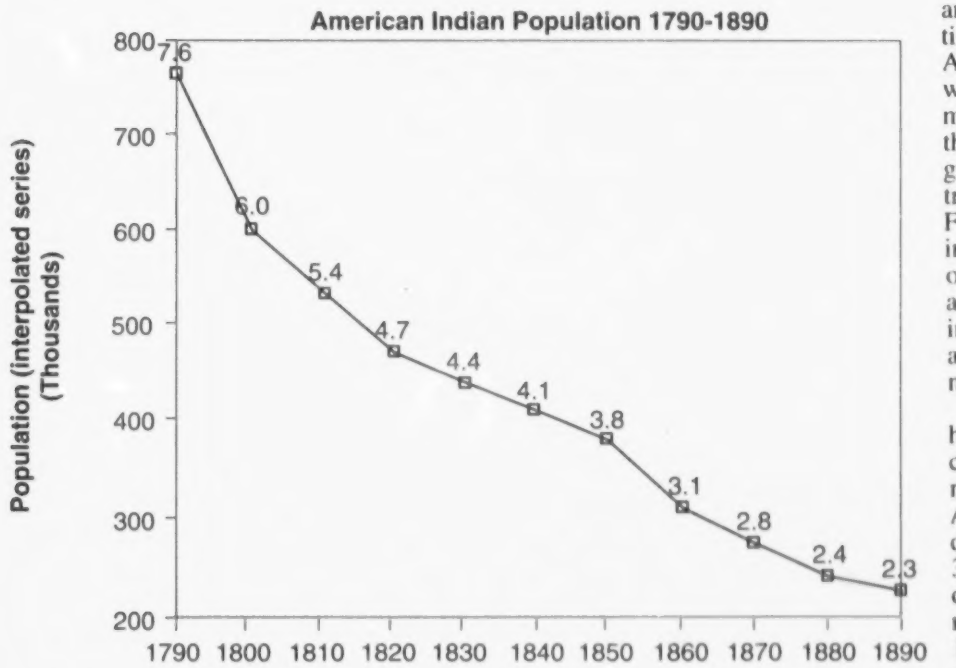


Figure 2



American Indians by exterminating all vestiges of tribal culture and traditions (Hoxie 1984). This objective guided federal Indian policy for well over a half-century. Despite the paternalistic and often brutally repressive measures aimed at Indians for most of this century, they have not "vanished."

Today, American Indians are more numerous than they have been for several centuries. They are still one of the most destitute groups in American society but tribes have more autonomy and are now more self-sufficient than at any time since the last century. In many rural areas, American Indians, and especially tribal governments, have become increasingly more important and increasingly more visible by virtue of their growing political and economic power. In the ethnic mosaic of this nation, there is perhaps no other group that has a greater presence in rural America than American Indians.

The American Indian Population

Population size

After the arrival of Europeans, the American Indian population collapsed precipitously and declined continuously until the late nineteenth century. As disastrous as this decline was in its own right, it was made even more calamitous by the massive numbers of immigrants arriving to settle on tribal lands (see Figure 1 and Figure 2). As one group gained in numerical strength while the other faltered, the conflicts and final outcome accompanying these demographic trends are well-known and hardly need recounting.

These trends are important, however, for establishing a context in which to view the remarkable comeback of the American Indian population during this century. As Figure 3 illustrates, the American Indian population has grown nearly continuously since 1900. Except for an influenza epidemic in 1918 that caused serious population losses, the American Indian population grew moderately though steadily through the first half of this century. In fact, the low rate of growth is somewhat unexpected because American Indian death rates were declining rapidly, and birth rates were increasing rapidly; a higher rate of growth might have been expected from these trends

Figure 3

(Snipp 1989, Thornton et al. 1992). However, American Indians have been heavily inter-married with the nonIndian population (mainly whites, see Sandefur and McKinnell 1986, Snipp 1989) and it is possible that the children of racially exogamous marriages acquired the ethnic identity of the nonIndian parent, especially for Indian mothers married to nonIndian fathers. In the first half of this century, a white identity was considerably more desirable than that of American Indian.

In years after World War II, the American Indian population has grown at a spectacular rate. The rate of increase has far exceeded what is physically possible given the number of births in relation to deaths. There are two reasons for this growth.

One important reason is that in 1960 the Census Bureau changed its procedures and began using racial self-identification. Prior to 1960, Census enumerators determined the race of respondents. Needless to say, many persons who did not have the stereotypical American Indian phenotype were not identified as American Indians in the census, and substantial undercounts were especially problematic in urban areas where Indians could be confused with a variety of other ethnic populations.

Another factor contributing to growth in the Indian population has been shifting ethnic boundaries and especially persons switching their identity to American Indian from some other racial identification (Passell 1976, Passell and Berman 1986, Snipp 1989). Little is known with certainty about persons who have changed their racial identity to American Indian. However, the political mobilization of American Indians in the 1960s and 1970s along with so-called "ethnic pride" movements may have lifted some of the stigma attached to an American Indian racial identity. This would be especially true for persons of mixed ancestry who may have formerly declined to disclose or acknowledge their American Indian background.

Distribution

Besides their numbers, the distribution of the American Indian population is another important demographic matter. As Figure 4 illustrates, American Indians are heavily concentrated in the West; this includes states in the Southwest such as Arizona and New Mexico, the Northern Plains such as Montana and Wyoming, and the west coast of Washington, Oregon and California. The concentration of American Indians in these states is not coincidental. For most of the nineteenth century, American Indians in the east were forcibly moved West and those already in the West were re-settled to even more remote locations. Oklahoma, which is the former Indian territory, has the nation's largest Indian population. Oklahoma is part of the South and this accounts for this region's large Indian population. Otherwise, the American Indian population in the rest of the South is relatively sparse. Finally, in the Midwest, American Indians are primarily concentrated in states such as Wisconsin, Minnesota, North and South Dakota, and to a lesser extent in Michigan, Nebraska, and Iowa.

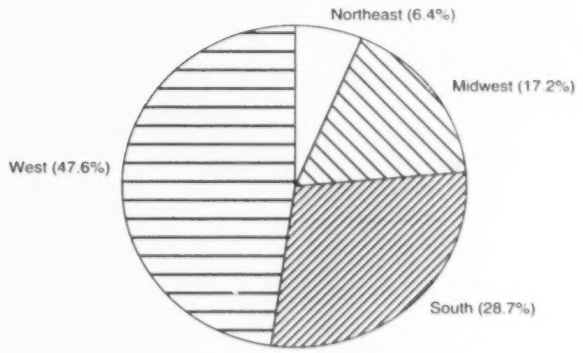
In 1980, about half of the American Indian population lived in "Indian Country:" reservations, trust lands, Alaska Native villages, and lands near reservations. The data from the 1990 census are not yet available. However, reservation population estimates have been released and these are shown in Table 1 for the largest reservations. As these numbers indicate, population growth on some reservations such as Navajo, Fort Apache, Osage, and Blackfeet have been substantial. The increase on these reservations exceeds what is possible from natural increase and clearly indicates population growth from in-migration. Interestingly, the Pine Ridge in South Dakota is the only reservation with a recorded population loss—this reservation is also one of the poorest places in the nation. These numbers also suggest that there are perhaps proportionally fewer American Indians in "Indian Country," but the decline is very small and possibly inconsequential. In 1980, about 14 percent of the American Indian population resided on one of these large reservations. Ten years later, this percentage had declined only slightly over one percent to 13 percent in 1990.

Population characteristics

The American Indian population is composed of over 300 tribes and is extremely diverse but social and economic disadvantages are a common denominator. At this time, up-to-date information about the American Indian population is extremely limited because the decennial

Figure 4

American Indian Residences, 1990



census is the only comprehensive source of data. These data are not expected to become available until late 1992. Nonetheless, there is little reason to believe that conditions among American Indians have changed dramatically since 1980 so it is useful to review data for 1980 by way of showing the likely socioeconomic circumstances of American Indians in 1990.

Education is a crucial measure of human capital for economic development as well as a predictor of personal success in the labor market. As the numbers in Table 2 clearly show, education is a resource sorely lacking among American Indians. These percentages show the educational experience of American Indians in relation to blacks and whites and there is no question that Indians lag far behind whites by any measure. American Indian youth drop out of high school at alarmingly high rates. About 26 percent of American Indians ages 16 to 19 are not in school and have not completed the 12th grade, compared with 16 percent of blacks and 12 percent of whites. Surprisingly, American Indians are more likely to have graduated from high school than blacks. Either American Indians eventually complete their schooling with a GED or diploma, or this foreshadows a significant reduction in high school completion rates for American Indians.

Table 2 also shows that American Indians seldom complete four years or more of college. High drop-out rates and disrupted school experiences undoubtedly are major contributors to this problem. Another possible reason is that American Indians are concentrated in two-year, post-secondary vocational education programs. However, this does not appear to be especially problematic. As Table 3 shows, in 1984 for example, about 55 percent of American Indians in post-secondary education were enrolled in two-year programs, while 45 percent were attending four-year institutions.

Nonetheless, the lack of schooling and collective disadvantages confronting American Indians translate into considerable economic hardship. The unemployment rate for American Indians in early 1980 was 13 percent compared with 12 and 6 percent for blacks and whites respectively (see Table 4). Although American Indians have slightly higher unemployment than blacks, they have slightly higher family income and lower levels of poverty. These differences are slight but one possible explanation for them is that more black families than Indian families are headed by single women. Or alternatively, more Indian families than black families have the advantage of having a male (and hence better paid) worker in the home (Snipp 1989).

Public policy and American Indians

The current economic circumstances of American Indians in many ways reflect a long history of federal efforts to subordinate an otherwise self-governing, self-sufficient people. This eventually culminated in widespread welfare dependency that took root in the late 19th century. These efforts are reflected in five major eras of federal-Indian relations: removal, allotment, the Indian New Deal, termination and relocation, and self-determination.

Removal

In the early nineteenth century, the population of the United States expanded rapidly at the same time that the federal government increased its political and military capabilities. After the War

Table 1. Population sizes of the fifteen largest American Indian Reservations

Reservation	1980	1990	Change
Navajo (AZ,NM,UT)	104,968	143,405	36.6
Pine Ridge (SD)	11,882	11,166	-6.0
Fort Apache (AZ)	6,880	9,825	42.8
Gila River (AZ)	7,067	9,116	29.0
Papago (AZ)	6,959	8,480	21.9
Rosebud (SD)	5,688	8,043	4.4
San Carlos (AZ)	5,872	7,110	21.8
Zuni Pueblo (NM)	5,988	7,073	18.1
Hopi (AZ)	6,601	7,061	7.0
Blackfeet (MT)	5,080	7,025	38.3
Yakima (WA)	4,983	6,307	26.6
Osage (OK)	4,479	6,161	37.6
Fort Peck (MT)	4,273	5,782	35.3
Eastern Cherokee (NC)	4,844	5,388	11.2
Standing Rock (ND,SD)	4,800	4,870	1.5
Total of 15 reservations	190,364	246,812	29.7
Percentage of U.S. Indian population	13.9	12.6	

Source: U.S. Bureau of the Census, Mimeo

Table 2. Educational Characteristics of American Indians and Alaska Natives, Blacks and Whites

	American Indians and Alaska Natives	Blacks	Whites
High school drop outsa	26.0%	15.5	12.1
High school graduatesb	55.5%	51.2	68.8
College graduatesb	7.7%	8.4	17.1

Source: U.S. Bureau of the Census
[a]Persons age 16 to 19 not enrolled in school without 12 years of schooling
[b]Adults age 25 and over

Table 3. American Indian enrollment 1976-1984 in public and private two-year and four-year institutions.

	1976	1978	1980	1982	1984
Public					
Four year	37.2	34.9	34.6	35.9	35.8
Two year	51.5	53.0	53.8	53.7	50.9
Private					
Four year	8.9	10.0	9.4	8.3	9.6
Two year	2.4	2.1	2.2	2.1	3.8
Total	100.0	100.0	100.0	100.0	100.0

Source: Center for Education Statistics (1987), Table 2

Table 4. Unemployment, income, and poverty among American Indians and Alaska Natives, Blacks, and Whites, 1980.

	American Indians and Alaska Natives	Blacks	Whites
Unemployment rate	13.2%	11.8%	5.8%
Percent of persons in poverty	27.5%	29.9%	9.4%
Median family income[a]	$13,724	$12,598	$20,835

Source: U.S. Bureau of the Census
[a]1979 dollars

of 1812, the federal government increasingly pressured tribes settled east of the Appalachian mountains to move west to the territory acquired in the Louisiana purchase. Initially, the federal government used bargaining and negotiation to accomplish removal, but many tribes resisted (Prucha 1984).

The election of Andrew Jackson by a frontier constituency signaled the beginning of more forceful measures to accomplish removal. In 1830, Congress passed the Indian Removal Act which mandated the eventual removal of the eastern tribes to points west of the Mississippi River, in an area which was to become the Indian Territory and is now the state of Oklahoma. This began a long process ridden with conflict and bloodshed. Dozens of tribes were forcibly removed from the eastern half of the United States to the Indian Territory and newly created reservations in the West. As the nation expanded beyond the Mississippi river, tribes in the Plains, Southwest and West Coast were forcibly settled and quarantined on isolated reservations. This was accompanied by the so-called Indian Wars—a bloody chapter in the history of white-Indian relations (Prucha 1984, Utley 1984).

Allotment

Near the end of the nineteenth century, efforts to isolate American Indians on reservations and the Indian territory finally achieved their goal, marking the end of these lethal policies. The Indian population also was near extinction. Their numbers had declined steadily throughout the nineteenth century, leading most observers to predict their disappearance early in the next century (Hoxie 1984). Reformers urged the federal government to adopt measures that would humanely ease American Indians into extinction. The federal government responded by creating boarding schools and the allotment acts—both were intended to "civilize" American Indians.

American Indian boarding schools were established for the purpose of resocializing Indian children and ultimately, to eradicate all vestiges of tribal culture. Indian children were forbidden their native attire and native foods, and were not allowed to speak their native language or practice traditional religion. Instead, they were issued EuroAmerican clothes, and expected to speak English and become Christians. The curriculum of these schools taught vocational arts along with "civilization" courses. The psychological toll of these dehumanizing programs is difficult to calculate. However, the impact of allotment policies has been clear and is still evident today.

In 1887, the General Allotment Act was signed into law. The 1887 Allotment Act and subsequent legislation was so named because it mandated that tribal lands were to be allotted to individual American Indians in fee simple title. Surplus lands left over from allotment were to be sold on the open market. Allotted Indians also received citizenship, farm implements, and encouragement from Indian agents to adopt farming as a livelihood —in an era when American agriculture first began its decline (Carlson 1981, Hoxie 1984, Prucha 1984).

For a variety of reasons, Indian lands were not completely liquidated by allotment. Many Indians did not receive allotments, and relatively few changed their lifestyles to become farmers. Nonetheless, the allotment era was a disaster in at least two ways. One is that a significant number of allotees eventually lost their land. Tax foreclosures, real estate fraud, and the need for cash were the most common ways that American Indians lost what was, for most of them, their last remaining asset (Hoxie 1984). This took a heavy toll on Indian lands. Under allotment, about 90 million acres of Indian land was lost, or about two-thirds of the land belonging to tribes in 1887 (O'Brien 1989).

This created a second problem that continues to vex many reservations —"checkerboarding." Reservations subjected to allotment are typically a crazy quilt of tribal lands, privately owned "fee" land, and trust land belonging to individual Indian families. Reservation checkerboarding presents enormous administrative problems for reservation officials trying to develop land use management plans, zoning ordinances, or economic development projects that require the construction of physical infrastructure. Some reservations have implemented

land acquisition programs to re-attach lost fee lands to their land base.

The Indian New Deal

The Indian New Deal was a short-lived but profoundly important shift in federal Indian policy. The Indian New Deal was implemented in the early 1930s along with the other New Deal programs under the Roosevelt administration. The Indian New Deal was important for at least three reasons.

It signaled the end of the disastrous allotment era. The Indian New Deal repudiated allotment as a policy. It also signaled a new respect for American Indian tribal culture. Instead of continuing its futile efforts to detribalize American Indians, the federal government acknowledged that tribal culture was worthy of respect. Much of this change was the work of John Collier, a long-time Indian rights advocate appointed by FDR to serve as Commissioner of Indian Affairs (Prucha 2984).

A second important element in the Indian New Deal is that it offered some relief from the Great Depression and brought essential infrastructure development on many reservations. The Indian New Deal continued policy initiatives nearly identical to those created by Roosevelt's New Deal. This included projects for controlling soil erosion, building hydroelectric dams, roads, and other public facilities. These projects created jobs in programs such as the Civilian Conservation Corps and the Public Works Administration.

An especially important and enduring legacy of the Indian New Deal was the passage of the Indian Reorganization Act of 1934. Until the passage of this legislation, Indian self-government had been forbidden by law. This act allowed tribal governments, for the first time in decades, to reconstitute themselves for the purpose of overseeing reservation affairs. Critics charge that this law imposed an alien form of government, representative democracy, on traditional tribal authority, and on some reservations, this has been a source of conflict (O'Brien 1989). Some reservations also rejected the IRA for this reason, but now have tribal governments authorized under different legislation. Nonetheless, because it recognized tribal rights of self-government, the IRA was a landmark piece of legislation.

Termination and relocation

After World War II, the federal government moved to dissolve its long-standing relationship with Indian tribes. The policies it adopted to accomplish this objective sought to settle outstanding legal claims made by the tribes, terminate the special status of reservations, and help reservation Indians relocate to urban areas—hence the description "Termination and Relocation" (Fixico 1986). These measures were implemented by the Indian Claims Commission (ICC), House Concurrent Resolution 108, and the BIA's Direct Employment Assistance program.

The Indian Claims Commission was a special tribunal created in 1946 to settle legal claims that tribes had made against the federal government. It was established to hasten the process of claims resolution and to avoid having them bogged down in federal court. In reality, the ICC became bogged down with prolonged cases. In 1978, the ICC was dissolved by Congress. At that time, there were 133 unresolved claims out of an original 617 that were first heard by the ICC three decades earlier (Fixico 1986, p. 186). These unresolved claims were transferred to the Federal Court of Claims.

Congress also moved to terminate the federal government's relationship with Indian tribes with the passage of House Concurrent Resolution (HCR) 108 in 1953. This resolution called for steps that eventually would abolish all reservations and abolish all special programs serving American Indians. It also established a priority list of reservations slated for immediate termination. However, this bill and subsequent attempts to abolish reservations were vigorously opposed. Only two reservations were actually terminated, the Klamath in Oregon and the Menominee in Wisconsin, and in 1975 the Menominee reservation was restored with its trust status—the Klamath reservation is still without recognition.

The BIA encouraged reservation Indians to relocate and seek work in urban job markets. In part, this was prompted by the desperate economic prospects on most reservations, and was part of the federal government's effort to "get out of the Indian business." The BIA's relocation programs began modestly in the late 1940s but quickly expanded in the early 1950s (Prucha 1984, Fixico 1986). These programs aided reservation Indians in moving to pre-selected cities such as Los Angeles and Chicago, where they were assisted in finding housing and employment. Between 1952 and 1972, the BIA relocated more than 100,000 American Indians (Sorkin 1978). Critics of these programs charge that few Indians benefited from relocation. And in fact, many relocatees dropped out of the program and returned to their reservations (Fixico 1986). One of the most damning criticisms is that relocation accomplished little more than transforming poverty-stricken reservation Indians into poverty-stricken urban Indians.

Self-determination

Many of the policies enacted during the Termination and Relocation era were steadfastly opposed by American Indian leaders and their supporters. As these programs became stalled, critics attacked them for being harmful, ineffective, or both. By the mid-1960s, these policies had very little serious support. Perhaps bolstered by the gains of the civil rights movement, American Indian leaders and their supporters made self-determination the first priority on their political agendas. For these activists, self-determination meant that Indian people would have the autonomy to control their own affairs, free from the paternalism of the federal government.

The idea of self-determination was well received by members of Congress sympathetic to American Indians. It also was consistent with the "New Federalism" of the Nixon administration. This support became the impetus for repudiating policies of Termination and Relocation, a process that culminated in 1975 with the passage of the American Indian Self-Determination and Education Assistance Act.

This legislation reflected a profound shift in federal Indian policy. For the first time since this nation's founding, American Indians were authorized to oversee the af-

fairs of their own communities, free of federal intervention. In practice, the Self-Determination Act established measures that would allow tribal governments to assume a larger role in reservation administration. However, this does not mean that the BIA is no longer present on most reservations.

Many tribes have assumed a substantial amount of control over reservation administration in programs for welfare assistance, housing, job training, education, natural resource conservation, and the maintenance of reservation roads and bridges (Snipp and Summers 1991). Some reservations also have their own police forces and game wardens, issue licenses and levy taxes. The Onondaga tribe in upstate New York have taken their sovereignty one step further by issuing internationally recognized passports. Yet there is a great deal of variability in how much autonomy tribes have over reservation affairs. Some tribes have nearly complete control over their reservations, especially large and well-organized reservations, while smaller reservations with limited resources often depend heavily on BIA services.

The recent expansion of tribal self-determination appeared in 1987 with amendments to the Indian Self-Determination and Education Assistance Act. These amendments set the stage for the Self-Governance Demonstration Project in which tribes assume virtually 100 percent of the functions performed by the BIA. This project began with seven tribes but in 1991 negotiations were concluded with thirteen additional tribes, bringing to 20 the number participating in this project.

Economic development in Indian country

Welfare dependency has been a fact of life in Indian country since tribes were interned on reservations and forced to depend on military rations for survival. Since then, this dependency has become considerably more complex and manifest in federal programs such as the War on Poverty efforts or the projects sponsored by the Comprehensive Employment and Training Act of the 1960s and 1970s. The abrupt termination of many of these programs in the early 1980s reminded tribal leaders of the uncertainty of federal largesse, and the need for financial independence.

Economic development has been increasingly seen as an alternative strategy for raising tribal revenues to deal with reservation problems. Efforts to stimulate economic activity on reservations are not a new idea. However, since the late 1970s, reservations have been pursuing a variety of alternatives, some closely tied to the unique legal and political status of reservations. Economic development in Indian country can be viewed in terms of the resources available for development—natural and human—along with the strategies that have been used to develop them.

Natural resources

There are 278 federally recognized American Indian reservations ranging in size from less than 100 acres to the Navajo reservation: 16 million acres covering parts of Arizona, Utah and New Mexico, about the size of West Virginia. These reservations account for most of the 56.2 million acres of Indian lands supervised by the federal government. These reservations are extremely diverse in terms of the natural resources they possess but the four major types of resources include agricultural land, timber, water, and mineral resources.

Agricultural land. Since the late nineteenth century, the federal government has encouraged American Indians to adopt agriculture. Yet the policies of this era actually caused declines in Indian agriculture (Carlson 1981). There is a long history of failed attempts to establish tribal farms and livestock herds. Some tribes suffered disastrous land losses during allotment. Other tribes, such as those in the southwest, had practiced agriculture for centuries but they refused to adopt nonIndian technologies and their collective farm systems were disrupted by allotment.

For most of this century, nonIndians have been responsible for agricultural production on tribal lands. For example, when members of the Ute tribe in Utah refused to become farmers, Indian agents leased their lands to nearby Mormon farmers. This is typical of how agricultural land was, and continues to be managed on most reservations. That is, agricultural lands are leased and farmed primarily by nonIndians. One study in particular found that nonIndians cultivated the most productive farmland while Indians were more likely to control less productive grazing land (Levitan and Johnston 1975).

The productivity of tribal agricultural land is a serious problem. Not surprisingly, reservations were established in places unattractive for farming and few reservations have highly productive lands. For example, the BIA

...reservations were established in places unattractive for farming

classifies less than one percent of all reservation lands as highly productive and less than five percent of the giant Navajo reservation has highly productive farm land. For the average reservation, this amounts to about one acre of productive agricultural land per resident (Summers n.d.).

Despite these problems, there are notable exceptions. For example, the Passamaquoddy tribe in Maine used funds from land claims settlements to acquire and develop a high quality blueberry farm that supplies gourmet markets, premium hotels, and Ben and Jerry's Ice Cream. The Ak Chin reservation south of Phoenix has what is undoubtedly the largest and most profitable agribusiness with over 10,000 acres of cotton and alfalfa in production (White 1990).

Timber. Although agricultural production is not widespread on many reservations, timber production is considerably more common. This timber is often cut and processed outside the reservation, but a growing number of reservations have built mills to produce finished lumber. One of the oldest of these mills was established on the Menominee reservation in Wisconsin.

Historically, the BIA has had primary responsibility for overseeing tribal forests and for the harvesting and sale of tribal timber. In 1989, 237 federal reservations possessed nearly 16 million acres of forest land with po-

tentially harvestable timber. Perhaps more significant is that in 1989, 149 or slightly over half of all federal reservations had about 6 million acres in commercial forests. This is not an inconsequential resource as its total harvested value is estimated at $158 million.

In the 1970s and 1980s, the BIA was the subject of numerous complaints as well as congressional investigations regarding its management of tribal forests. These complaints alleged fraud and mismanagement, and in particular, "sweetheart" deals between BIA employees and lumber companies, improper accounting, and incompetent resource management (Richardson and Farrell 1983). These complaints, along with growing tribal self-determination, have meant that tribes are considerably more involved in the management of this resource; and a number of tribes have instituted specialized forestry programs.

Water. The *Winters* doctrine, a principle stemming from a Supreme Court decision over tribal water rights, guarantees that tribes have prior claims on water destined for their reservation. In the arid western U.S., this gives reservations a powerful claim on a scarce and vital resource. This is perhaps most important for reservation development and especially in water-intensive projects such as agriculture. However, developing water for lease or sale off the reservation is tangled in the complex legal web of water use and riparian rights, and has not been extensively pursued. Nonetheless, it is possible for tribes with extensive water rights, such as the Navajo, to lease their water to the arid cities of the southwest, just as large growers have found it more profitable to lease their water than to use it for farming. Water also can be used to produce revenue in other ways; for instance the Salish-Kootenai in Montana sell hydroelectric power from a dam on their reservation.

Minerals. The minerals available on reservation lands run the gamut from gravel to zinc and copper to energy resources: uranium, coal, petroleum, and natural gas. Needless to say, the immense potential wealth associated with the latter has attracted the most attention. By some estimates, 40 percent of all uranium and 30 percent of the strippable coal west of the Mississippi is located on tribal lands (Jorgensen et al. 1978).

Despite the enormous real and potential value of these resources, the tribes possessing coal and petroleum are not significantly wealthier than other tribes (Snipp 1988). There are a number of reasons for this situation. One is that some tribes, such as the northern Cheyenne in Montana, view mining as a violation of their sacred relationship with the land. In fact, this belief is frequently a source of conflict among tribal members who adhere to traditional tribal beliefs and less traditional tribal members who wish to develop the resources. A more important reason is that for many years the BIA failed to exercise proper oversight in the process of making leases. BIA oversights caused millions of tons of coal to be sold at prices far below market value (Richardson and Farrell 1985, Snipp 1988).

Congressional inquiries and complaints by tribal leaders resulted in revamping BIA leasing procedures. The tribes also became more active in the negotiations for lease agreements. One important way the tribes became more involved in leasing was in the creation of the Council of Energy Resource Tribes (CERT). CERT was formed in 1975 for the purpose of increasing tribal involvement in lease negotiations and for providing technical assistance to aid tribes in negotiations. (Ambler 1990). Since the formation of CERT, many old leases have been re-negotiated, and tribal involvement has considerably improved the prices received for energy resources. However, a sluggish world market for coal and petroleum has dampened the enthusiasm for exploiting these resources.

The tribes have not had much direct involvement in mining the resources on their reservations. The capital required for mining operations vastly exceed tribal resources. However, some tribes such as the Crow have investigated limited partnerships with energy companies, as well as imposing severance taxes on extracted resources.

Human resources

Besides sheer numbers of able-bodied workers, education, training, and work experience are the best indicators of the human capital reserves belonging to reservations. The low levels of educational attainment and labor force participation already have been noted and need no further comment—they bespeak the limited human resources for reservation development. The shortage of job opportunities in reservation communities further exacerbates the shortage of human capital as the best educated, most able-bodied workers leave the reservation for employment elsewhere.

Many tribes have decided to address the scarcity of human capital on their reservations by establishing tribal colleges. The first tribal college was established in 1968 by the Navajo tribe. During the next twenty years, another 23 tribal colleges were established on reservations across the western United States. Most of these institutions are small facilities with two-year community college programs. A few, such as Sinte Galeska College in South Dakota, have a limited number of four year programs. Almost without exception, these institutions depend heavily on federal funding and struggle to have facilities and personnel adequate to meet accreditation standards. Because the students attending these schools have few economic resources, revenue from tuition or property taxes is minimal to nonexistent.

...the advent of tribal colleges is a development of potentially profound importance.

Although relatively new, tribal colleges have the potential to play a key role in the human resource development on reservations. The students attending these colleges are typically older. They frequently have very poor academic preparation and are returning to upgrade their basic skills, obtain vocational training, or acquire a GED. The students who typically attend tribal colleges are not being diverted from educational opportunities elsewhere. They are students who would not be attending college under most circumstances, except that the presence of a tribal college gives them an opportunity to do so (Carnegie Foundation 1989).

In 1989, an estimated 4,400 full-time equivalent students were enrolled at the 24 tribal colleges (Carnegie Foundation 1989). The actual number of students in tribal colleges is in fact higher because most are not attending in full-time programs. Considering that low educational levels and a lack of human resources have been one of the main obstacles to economic development on most reservations, the advent of tribal colleges is a development of potentially profound importance. These institutions are training persons who in the past would have been labeled "hard-core unemployed." Their proximity also means they are well-situated to coordinate program curriculum with the specific needs of economic development projects. Many of these potential opportunities are yet to be realized, but an infrastructure now exists where there was nothing only a few years ago.

Conventional development strategies

Since the 1950s, and even earlier in some areas, federal officials and tribal leaders adopted more or less "textbook" models for economic development. Like other rural communities, tribes have tried to attract industry by emphasizing a low-wage workforce, non-existent taxes, or by building infrastructure such as roads or industrial parks. Unlike other rural communities, they have tried to start their own businesses in construction, light manufacturing, agriculture, and a hodge-podge of other activities. There also have been a variety of efforts to encourage entrepreneurship. Many of these efforts reached a peak under the Economic Development Administration (EDA) and the Small Business Administration (SBA). Federal cutbacks in the early 1980s significantly reduced these programs though some continue to offer assistance. Currently, most conventional development strategies focus on tribal operations or individual entrepreneurs.

Tribal operations. The activities of tribes in promoting economic development are divided between attracting industries from outside the reservation and developing their own business start-ups. Attracting industries owned by nonIndians is a strategy that has been a mixed success. The goal of attracting outside industries often is job creation, making labor intensive and low-wage industries most appealing. Light manufacturing, such as electronics assembly plants, have been located on a number of reservations. A fish hook factory was briefly located in the Pine Ridge reservation in South Dakota. However, this strategy is problematic for at least two reasons.

One is that the jobs created by such firms are typically low-skill, low-wage jobs with few benefits. Management jobs are seldom filled by Indians. While these firms have the virtue of providing employment, they do not often yield a significantly improved standard of living. Making the welfare poor into the working poor can be considered an improvement but it is a small one nonetheless.

A second problem with such industries is that they pit reservation workers against workers in developing nations. Like other rural communities, a number of reservations have watched local industries join the exodus overseas to obtain cheap labor. Some tribes, however, have been able to resist this trend. According to Chief Philip Martin of the Mississippi Choctaw, his tribe has been successful with light manufacturing because they offer superior workmanship to compensate for lower offshore labor costs.

Tribally owned businesses face other dilemmas. One crucial problem is deciding whether a tribal business will operate to maximize employment, or whether it will seek to become an efficient, highly competitive enterprise. In theory, there is no necessary conflict between these goals. But in practice, such a conflict often exists when decisions about layoffs or dismissing incompetent employees must be made.

The decision to choose between jobs or profits is often made more complicated by another problem—tribal politics. Like other communities, there are often disagreements among American Indians about the best course of action for tribal government. In connection with economic development, disputes may arise over the types of development, who is involved, and the disposition of jobs and revenues. Decisions that are politically astute may be disastrous for tribal enterprises.

Some tribes have attempted to deal with this conflict by establishing business committees separate from the tribal government. This is intended to distance business decisions from tribal politics but too often it merely shifts political disputes from the arena of tribal government to the business committee. Cornell and Kalt (1990) argue that political development is a necessary antecedent to economic development. For tribal governments to successfully undertake complex economic development projects, they must be able to exercise a great deal of administrative expertise as well as having the political stability to carry out long range plans. Cornell and Kalt (1990) echo others (e.g. Vinje 1989) when they also note that economic development projects must be consistent with tribal culture, especially with the political culture of the tribe. Tribes accustomed to diffuse, decentralized decision-making processes will not accommodate economic development projects organized with a highly centralized management plan.

Reservation entrepreneurship. A 1984 Presidential Commission discouraged the involvement of tribal governments in business enterprises, and recommended that entrepreneurship would most benefit reservation economics. However, the federal government has done very little to actually increase private enterprise by reservation Indians. American Indians desiring to start their own businesses face many of the same obstacles confronting nonIndians trying to start a small business.

However, American Indian entrepreneurs face particularly difficult problems raising investment capital. Finding start-up capital is especially problematic for two reasons. One should be obvious: most American Indians have extremely limited financial resources to rely upon and this makes it difficult to obtain the personal equity expected by bank loan officers. A second problem is that reservation and other Indian lands are held in a trust by the federal government. This means that American Indians cannot sell their land, nor can they use it for collateral. In many ways, this arrangement is beneficial for preserving the remaining lands of American Indians but at the same time it is an obstacle that nonIndian entrepreneurs are not burdened with.

An experimental project for raising investment capital has been developed on the Pine Ridge reservation in

South Dakota. With support from the First Nations Foundation, the Lakota Fund is a project that encourages the development of "micro-enterprises." This project is modeled after another developed in Bangladesh and it begins by encouraging the formation of small borrower groups. Members of these groups take out small loans, usually less than $1000, for the purpose of producing goods and services for sale; thread and fabric might be purchased to produce quilts, for example. While individuals are the loan recipients, the group is responsible for loan re-payments and the default rate is very low, less than 10 percent. The Lakota Fund also works with these groups by offering technical assistance in marketing and other business practices.

The Lakota Fund plays an important role in promoting reservation entrepreneurship by teaching basic skills needed for business. However, the projects it funds are extremely small ("micro"), they generate small amounts of income, and it is not clear whether the projects it sponsors will eventually become sizable businesses with paid employees. Nonetheless, it is an important experiment that deserves careful attention as a development model for other tribal communities.

Unconventional development strategies

Unconventional development strategies are so-named because they are development strategies based on the special legal and political status of American Indians—hence they are not options for economic development by nonIndians. This approach to economic development has become more common in the late 1970s and 1980s, possibly because there has been less federal support for conventional development projects. This approach also has been called the "legal road to economic development" (Olson 1989) and central to this strategy is the doctrine of tribal sovereignty.

Tribal sovereignty is a concept implicit in much of the preceding discussion because it is a central organizing principle in federal-Indian relations. The legal theory behind tribal sovereignty dates back to the founding of the United States and early decisions of the Supreme Court (Barsh and Henderson 1980). Briefly, tribal sovereignty means that by treaty and other agreements tribes have reserved certain legal rights of self-government. This provides tribal governments with a measure of self rule subject to the authority of the federal government and exempt from most state and all local authority. With only a few exceptions, tribal governments have most of the same powers as state governments.

The so-called "legal road to economic development" exploits the powers of tribal sovereignty, treaty rights, and other legal agreements for the sake of developing a market niche for tribal enterprises. The ability to use tribal sovereignty for creating a market niche is crucial for having a successful enterprise. And, indeed, there are a number of successful operations stemming from treaty rights, land claim settlements and the use of tribal sovereignty to create a market niche.

Two of the best known developments stemming from treaty rights settlements are located in Maine and in the Puget Sound region of Washington State. In 1975, the Passamaquoddy and Penobscot tribes of Maine won a major court victory and a ruling that these tribes might be eligible to claim up to two-thirds of the state. After protracted negotiations, a federal task force concluded negotiations with these tribes with a settlement of $82 million. With this settlement, the tribes purchased lands, established investment portfolios, and initiated economic development projects. The Passamaquoddy invested a full third of their settlement in economic development projects such as a construction firm, cement factory, and blueberry farm. These projects were meant to produce income for tribal services and jobs for tribal members. Since the settlement, some of these projects have been more successful than others, but they have been sufficiently capitalized and well-managed that they are counted as successes by the tribe (White 1990).

The state of Washington in the 1950s and the 1960s was the site of protracted struggles over Indian fishing rights. These struggles culminated in the court case of *U.S. v. Washington*, also known as the Boldt Decision. In 1974, federal judge George Boldt rendered a verdict that treaties signed with the Puget Sound tribes entitled them to 50 percent of the salmon harvested in this region each year in perpetuity. This was a major victory for these tribes, who shortly afterwards initiated economic development projects based on fishing. The Lummi and the Quinault in particular have vertically integrated aquaculture programs with fish hatcheries and fish processing plants. These tribes play key roles in Puget Sound conservation efforts and have a major stake in improving fisheries production. Furthermore, these activities are also a major source of tribal employment and revenue.

Because tribal sovereignty gives tribal governments the right to legislate for themselves, another direction in the legal road to economic development has been for tribes to make available goods and services restricted by local and state laws. In the mid-1970s, retail tobacco shops with products exempt from local and state taxes began appearing on Indian land across the U.S. These are typically small shops with only a few employees and are operated either by individuals or tribal governments. Little systematic data exists about these shops but anecdotally they are usually profitable operations, although the revenue they produce is not spectacular. They are nonetheless controversial because state and local governments resent the loss of tax revenues and local merchants complain about unfair competition.

However, compared to gambling, the controversy and revenues generated by tobacco shops are negligible. In 1978, the Florida Seminole won in court the right to operate a high stakes bingo hall on their reservation. This enterprise was enormously successful and produced revenues in the millions of dollars. The success of the Seminole was quickly noticed by other tribes and within a few years reservations across the country were engaged in high stakes bingo. By the mid-1980s, many tribes were testing the legal waters by offering other types of gambling explicitly outlawed outside their reservations. After a series of legal tangles and complaints by state governments and by tribal officials, Congress enacted the Indian Gaming Act of 1988.

The Indian Gaming Act set the ground rules for tribes desiring to have gambling on their reservation and created the Indian Gaming Commission to oversee reservation gambling. The law establishes different classes of

gaming and permits reservation gambling if the games offered are not fundamentally different from the gambling permitted outside the reservation in activities such as state lotteries. This law represents a mixed victory for the tribes because, while they do not have the unconditional right to offer gambling, it institutionalizes gambling and protects it from state and local interference.

The future of reservation gambling is unclear. It has been a huge success for some tribes, especially those close to large urban areas. On reservations in remote places, it has been less successful and has attracted mainly a reservation clientele instead of wealthier nonIndian players. Reservation gambling also has become more competitive between reservations and from outside the reservation as more states liberalize their restrictions on gambling. These developments may eventually shrink tribal revenues from gaming but in the short-run they have been an enormous cash resource for many tribes.

A handful of tribes have also passed legislation skirting state and local zoning and environmental protection laws. However, these measures have proved as controversial on the reservation as they have been outside the reservation. A proposal to place a nuclear waste facility on the Pine Ridge reservation produced a heated conflict, as did a proposal for toxic waste that was summarily rejected by the Mississippi Choctaw. The Mescalero Apache are currently considering a nuclear waste storage facility but this is also becoming controversial on and off the reservation.

Concluding remarks

Though small in number, American Indians have an enduring place in American society, and perhaps nowhere are they more visible than in rural areas. This visibility stems from the growing numbers of American Indians occupying reservation and other trust lands. Beginning in the 1950s tribal governments have had a larger role in reservation affairs than their original resettlement on reservation lands.

The challenges facing tribal governments are daunting. American Indians are among the poorest groups in this nation. Reservation Indians have substantial needs for improved housing, adequate health care, educational opportunities, and employment. Tribal governments are also responsible for developing and maintaining reservation infra-structure. In the face of declining federal assistance, tribal governments are assuming an ever-larger burden. On a handful of reservations, tribal governments have assumed completely the tasks once performed by the BIA.

As tribes have taken greater responsibility for their communities, they also have struggled with the problems of raising revenues and providing economic opportunities for their people. Reservation land bases provide many reservations with resources for development. However, these resources are not always abundant, much less unlimited, and they have not always been well managed. It will be yet another challenge for tribes to explore ways of efficiently managing their existing resources. Legal challenges also face tribes seeking to exploit unconventional resources, such as gambling revenues. Their success depends on many complicated legal and political contingencies. Despite the many obstacles confronting American Indian tribes, their history of resilience and persistence in the face of adversity is good cause to be cautiously optimistic about what the future holds.

References

Ambler, Marjane. 1990. *Breaking the Iron Bands*. Lawrence, KS: University Press of Kansas.

Barsh, Russell Lawrence and James Youngblood Henderson. 1980. *The Road: Indian Tribes and Political Liberty*. Berkeley, CA: University of California Press.

Carlson, Leonard A. 1981. *Indians. Bureaucrats. and Land*. Westport, CT: Greenwood Press.

Carnegie Foundation for the Advancement of Teaching. 1989. *Tribal Colleges: Shaping the Future of Native America*. Princeton, NJ: Princeton University Press.

Fixico, Donald L. 1986. *Termination and Relocation: Federal Indian Policy. 1945-1960*. Albuquerque, NM: University of New Mexico Press.

Hoxie, Frederick E. 1984. *A final Promise: The Campaign to Assimilate the Indians*. 1880-1920.

Jorgensen, Joseph G., Richard O. Clemmer, Ronald L. Little, Nancy J. Owens, and Lynn A. Robbins. 1978. *Native Americans and Energy Development*. Cambridge, MA: Anthropology Resource Center.

Levitan, Sar A. and William B. Johnston. 1975. *Indian Giving: Federal Programs for Native Americans*. Baltimore, MD: Johns Hopkins University Press.

O'Brien, Sharon. 1989. *American Indian Tribal Governments*. Norman, OK: University of Oldahoma Press.

Olson, Mary. 1988. "The Legal Road to Economic Development: Fishing Rights in Western Washington." Pp. 77-112 in C. Matthew Snipp (ed.) *Public Policy Impacts on American Indian Economic Development*. Albuquerque, NM: Institute for Native American Development, University of New Mexico.

Passell, Jeffrey S. 1976. "Provisional Evaluation of the 1970 Census Count of American Indians." *Demography* 13: 297-409.

Passell, Jeffrey S. and Patricia A. Berman. 1986. "Quality of 1980 Census Data for American Indians." *Social Biology*. 33:163-82.

Prucha, Francis Paul. 1984. *The Great Father*. Lincoln, NE: University of Nebraska Press.

Sandefur, Gary D. and Trudy McKinnell. 1986. "American Indian Intermarriage." *Social Science Research* 15:347-371.

Snipp, C. Matthew. 1989. *American Indians: The First of this Land*. New York: Russell Sage.

Snipp, C. Matthew and Gene F. Summers. 1991. "American Indian Development Policies." Pp. 166-180 in Cornelia B. Flora and James A. Christenson (eds.) *Rural Policies for the 1990s*. Boulder, C O: Westview Press.

Sorkin, Alan L. 1978. *The Urban American Indian*. Lexington, MA: Lexington Books.

Summers, Gene F. n.c. "Social Characteristics of Reservations." mimeo, Department of Rural Sociology, University of Wisconsin, Madison, WI.

Thornton, Russell, Gary D. Sandefur and C. Matthew Snipp. 1991. "American Indian Fertility Patterns: 1910 and 1940 to 1980." American Indian Quarterly 15:359-67.

Utley, Robert M. 1984. *The Indian Frontier of the American West, 1846-1890*. Albuquerque, N.M.: University of New Mexico Press.

Vinje, David L. 1985. "Cultural Values and Economic Development on Reservations." Pp. 155-75 in Vine Deloria, Jr. (ed.) *American Indian Policy in the Twentieth Century*. Norman, OK: University of Oklahoma Press.

White, Robert H. 1990. *Tribal Assets: The Rebirth of Native America*. New York: Henry Holt.